MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

DFA5024 – FINANCIAL ACCOUNTING 2

(All sections / Groups)

2 OCTOBER 2023
9.00 a.m. to 12.00 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 7 pages with 4 Questions only.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet provided.

QUESTION 1

Part A

Navotech Technology Sdn. Bhd, Melaka is a company that supplies IT hardware and software solutions to all retailers and customers in Melaka.

The company records one of its inventories which is 1 Tb (terabyte) external hard disk with different brand as at 31 March 2023 as below:

Different brands of external hard drive	Capacities	Quantities	Cost per unit
Western Digital	1 Tb	280	RM135
Kingston	1 Tb	320	RM120
Toshiba	1 Tb	250	RM140

The company decided to sell 1 Tb external hard disk based on its brand, Western Digital at RM250, Kingston at RM220 and Toshiba at RM300 to all customers.

Navotech Technology Sdn. Bhd completed the following transactions on 30 April 2023.

April 2	Purchased 74 units of Western Digital external hard disk by cash, FOB Destination from HazTech Global Sdn. Bhd. Appropriate party paid RM130 for freight cost on this date.
7	Sold 180 units of Kingston external hard disk on account to IT Jaya Sdn. Bhd. for RM39,600, FOB Destination, terms 2/15, n/30. The appropriate party also made cash payment of RM200 for freight on this date.
9	Purchased 100 units of Toshiba external hard disk on account from Tech Impact Sdn. Bhd, FOB Shipping Point, terms 3/10, n/30.
10	The appropriate party made cash payment of RM150 for freight charges for purchased on April 9.
13	Received refund from HazTech Global Sdn. Bhd. for the return of 8 units of defective Western Digital external hard disk.
15	IT Jaya Sdn Bhd has returned one third (1/3) of the damaged Kingston external hard disk.
17	Purchased lorry from Maxim Car Dealer for RM47,000 on account.

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19	Received payment in full from IT Jaya Sdn. Bhd. during discount period.
20	Paid Tech Impact Sdn. Bhd. in full.
21	Purchased 30 units of Kingston external hard disk on account from Cahaya Technologies Bhd., FOB destination, terms 2/10, n/30. The appropriate party also made cash payment of RM100 for freight on this date.
28	Received RM120 credit each for 3 units of Kingston external hard disk returned to Cahaya Technologies Bhd.
30	Paid Cahaya Technologies Bhd. in full, less discount.
	Mr. Robert, the owner, took 5 units of Toshiba external hard disk RM140 each for his sons and daughters.

Required

Journalise April 2023 transactions using the perpetual inventory system. Round up your answer in two decimal places.

(17 marks)

Part B

The balances of Amway Sdn. Bhd. accounts contained the following information:

Sales	RM550,000	Store salaries expense	RM45,000
Sales discounts	7,000	Utilities expense	18,000
Cost of goods sold	266,000	Depreciation expense-equipment	7,000
Delivery expenses	3,500	Advertising expense	2,800
Loss on disposal of assets	1,600	Rent revenue	23,400
Interest expense	12,700	Sales returns and allowances	20,000

Required

Prepare the multiple-step Statement of Profit or Loss for the year ended 31 August 2023.

(8 marks)

(Total: 25 marks)

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QUESTION 2

The following are information on Selangor Hockey Association that was extracted from the books as at 31 December 2022:

Accounts	Amount	Accounts	Amount
Equipment (Cost)	RM47,500	General expenses	RM3,600
Hockey field	130,000	Utility expenses	10,400
Wages of snack bar waitress	28,000	Depreciation expenses – Equipment	6,200
Snack bar stocks	14,600	Cash at bank	30,800
Snack bar maintenance expenses	9,500	Profit from tournament	24,800
Snack bar purchases	61,400	Sales from snack bar	102,400
Clerk salaries	20,400	Subscription received	52,100

Additional information:

i. Snack bar purchases and sales were on cash basis.
ii. Snack bar stocks at 1 January 2022 were valued at RM22,600.
iii. Subscriptions paid in advance by members as at 31 December 2021 amounted to RM18,500 and as at 31 December 2022 amounted to RM13,240.
iv. Subscriptions in arrears as at 31 December 2022 amounted to RM6,960.
v. Clerk salaries owing as at 31 December 2022 is RM4,420.
vi. Accumulated fund as at 31 December 2021 is RM166,400.

Required

(a) Prepare the Bar Trading account for the year ended 31 December 2022. (4 marks)

(b) Prepare the ledger for any accrual and prepayment account. (4 marks)

(c) Prepare the Income and Expenditure account for the year ended 31 December 2022. (8 marks)

(d) Prepare the Statement of Financial Position as at 31 December 2022. (9 marks)

(Total: 25 marks)

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QUESTION 3

Part A

The following selected transactions relate to Qes Company.

March 1 Sold RM20,000 of merchandise to Esafe Sdn. Bhd, terms 2/15, n/30.

11 Received payment in full from Esafe Sdn. Bhd for balance due on existing accounts receivable.

13 Sales amounted to RM6,700 charged on Master credit card.

April 11 Sold accounts receivable of RM8,000 to Excellent Factor. Excellent Factor assesses a service charge of 2% of the amount of receivables sold.

May 1 Loaned out RM30,000 to Penta Group Bhd and received a 9 month, 10% note.

10 Wrote off as uncollectible RM16,000 of Esafe Sdn. Bhd account. Qes Company uses the percentage-of-sales basis to estimate bad debts.

30 Accrued interest on Penta Group Bhd. notes.

June 30 Credit sales recorded during the first 6 months total RM2,000,000. The bad debt percentage is 1% of credit sales. On 30 June, the balance in allowance for doubtful account is RM3,500 before adjustment.

July 16 One of the accounts receivables written off in May was from Desmond, who pays the amount due, RM4,000 in full.

Required

(a) Prepare the journal entries for the above transactions. Show all workings. (12 marks)

(b) Identify and explain the **THREE (3)** different types of receivables. (3 marks)

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Part B

Below are the transactions of CCK Bhd. for the year 2023, which related to receivables:

March 31	Total sales for March amounted to RM3,200,000, which RM640,000 is from cash sales. Credit manager estimated that uncollectible of accounts receivables amounted to 4% of net credit sales.
June 12	Accounts receivable from Dataprep Bhd. for RM21,700 was determined to be uncollectible and written off.
30	Dataprep Bhd. paid their past due account in full.

Allowance for doubtful accounts had a credit balance of RM9,840 before adjustment and a balance of accounts receivable of RM750,000.

Required

(a) Prepare separate journal entries made by CCK Bhd. on the following dates:

(i) 31 March.
(ii) 12 June.
(iii) 30 June.

(4 marks)

(b) Assume no other transactions occurred that affected the allowance for doubtful account during June. Determine the balance of Allowance for Doubtful Accounts on 30 June 2023.

(2 marks)

Part C

KRU Studio Company is one of the top 10 production studios in Malaysia, that provides film production service to all its customers. On 15 November 2022, KRU Studio Company agreed to accept RM5,400, 90 days, 10% note receivables from Papazola Company to settle its RM5,400 past due account receivable.

Required

Record the journal entries on 15 November, 31 December 2022, and on the maturity date 13 February 2023. Show all the workings.

(4 marks)

(Total: 25 marks)

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QUESTION 4

Part A

In 2018, Navel Sdn. Bhd. bought a new office equipment which cost RM120,000 by taking loan from the bank at 4% interest rate per year.

The equipment was purchased on 1 January 2018, and it has been depreciated using the straight-line method based on estimated salvage value of RM15,000 and an estimated useful life of 5 years.

Required

Prepare journal entries to record the sale of the office equipment in these two independent situations. Record the depreciation expense up to the date of disposal as well if necessary.

(a) Sold office equipment for RM61,000 on 31 December 2020. (3 marks)

(b) Sold office equipment for RM36,000 on 1 October 2021. (3 marks)

(c) Explain how to account the disposal of plant assets through retirement or sale. (3 marks)

Part B

On 1 January 2023, CST Manufacturing Company purchased a second-hand machine on account to be use in its factory. The cost of this machine was RM100,000 with 4 years useful life and RM10,000 salvage value.

Required

Calculate the amount of depreciation and accumulated depreciation for each year if CST Manufacturing Company uses double declining-balance method. Prepare your answer in table form. Show all your workings. (6 marks)

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Part C

Presented below is Comparative Statement of Financial Position for Citaglobal Berhad.

Citaglobal Berhad
Comparative Statement of Financial Position
As at 31 December

	2022	2021
Assets		
Cash	RM34,000	RM11,000
Accounts receivable	18,000	13,000
Inventory	25,000	17,000
Prepaid expenses	6,000	9,000
Long-term investments	-0-	17,000
Equipment	60,000	33,000
Accumulated depreciation—equipment	(20,000)	(15,000)
Total assets	RM123,000	RM85,000
Liabilities and Stockholders' Equity		
Accounts payable	RM 17,000	RM 7,000
Bonds payable	36,000	45,000
Common stock	40,000	23,000
Retained earnings	30,000	10,000
Total liabilities and stockholders' equity	RM123,000	RM85,000

Additional information:

1. Net income for the year ending 31 December 2022 was RM35,000.
2. Cash dividends were declared and paid during the year.
3. Long-term investments that had a cost of RM17,000 were sold for RM14,000.
4. Sales for 2022 were RM120,000.

Required

Prepare the statement of cash flows for the year ended 31 December 2022, using the indirect method.

(10 marks)

(Total: 25 marks)

End of Paper